

UP&L Beginning County Economic Development Study

11-16-88

Because economic development is critical to the survival of Utah Power and Light Company, the company will conduct a target industry study in Wasatch County, Cliff Blonquist, representing the power company, told the Commission last week.

It will be an objective study of northeastern Utah by an outside consulting firm and also will include Uintah, Daguerre, and Duchesne Counties, he said. It is not connected with an Economic Development Seminar UP&L sponsored in the County last year.

It will be an in-depth study of the profile of the area and the findings will be compiled in booklet that can be used in developing the local economy. It will include needs of industries and their growth rates, and recommend those that would be appropriate to Wasatch County.

The Commission chose Chairman Lorin Alfred, who generally represents the Commission in economic development matters, to work with the consulting firm, assisted by Lee Roy Farrell, County Engineering Coordinator and Building Inspector.

Commissioner Alfred approved of studying Wasatch with the other rural counties. He pointed out those counties are much more compatible than if Wasatch had been combined with the Wasatch Front.

Mr. Blonquist reported, "There's

been a little reorganization," because of the pending merger of UP&L into Pacific Corp.

"Pacific Corp. is simply an economic Big Brother. They're so far advanced on doing economic development or promotion, and marketing promotion. The power company basically has always survived as simply a utility. But Pacific Corp. is more in the marketing mode. I think it's kind of in a holding pattern until we get a final decision on which way we're going," he said.



Heber Light and Power employees have just about finished their annual project of putting up Christmas lights and decorations around Heber City and Tabernacle Square. However, Mayor Gordon Mendenhall has forbidden them to put lights on the newly-restored tabernacle this year. 11-23-88

Wasatch included in study

11-25-88

By SONNI SCHWINN

Heber City Correspondent

HEBER CITY — Because economic development is critical to the survival of Utah Power and Light Co., the company will conduct a target industry study in Wasatch County, Cliff Blonquist, representing the power company, told the commission last week.

It will be an objective study of northeastern Utah by an outside consulting firm and also will include Uintah, Daggett, and Duchesne counties, he said.

The findings will be compiled in a booklet that can be used in developing the local economy. It will include lists of industries and their growth rates, and recommend those that would be appropriate to Wasatch County.

"I think there are some important things that are going to take place here. With the highway and Jordanelle, I think we're sitting on the brink of something nationally," he said.

Commission Chairman Lorin Allred, who generally represents the commission in economic development matters, was chosen to work with the consulting firm, assisted by Lee Roy Farrell, county engineering coordinator and building inspector.

Allred approved of studying Wasatch with the other counties that were chosen. He pointed out the rural counties are much more compatible than if Wasatch had been combined with the Wasatch Front.

WATER

Study recharges cheap-power debate

■ **What's fair?** GAO says Colorado River electricity is sold for 3 to 7 times less than market value

By Lee Davidson
Deseret News Washington Bureau chief 11-11-89

WASHINGTON — A new congressional study is recharging debate about whether city-owned power companies in the West should pay more for the currently supercheap federal hydropower they buy.

A report by the General Accounting Office, Congress' watchdog agency, says hydropower from the Colorado River Storage Project is being sold for three to seven times less than the market value of non-federal power in the West.

Its cheap rates are available only to municipal power companies, not investor-owned utilities such as Utah Power & Light.

Meanwhile, the study says the federal government will not fully recover the massive costs of the dams that produce that power. That subsidy was designed in laws creating the water projects.

The GAO report was written for Rep. George Miller, D-Calif., the chairman of the House Interior Subcommittee on Water and Power. He and other critics of large water projects have argued that higher rates could cut the federal subsidies of projects.

Also, Rep. Wayne Owens, D-Utah, is proposing a 2-mill surcharge on power rates to fund repair of environmental damage caused by Colorado River Storage Project facilities.

However, the power companies that buy the electricity say they feel current rates are fair and legal. They point out they first agreed to buy federal hydropower when it cost more than other sources, and now that it is cheaper they don't feel they should be punished.

The GAO report says power from the Colorado River Storage Project — which includes, for example, the Central Utah Project, Flaming Gorge Dam and Glen Canyon Dam — is sold at 9.92 mills per kilowatt hour.

Meanwhile, wholesale firm power rates from non-federal sources in the storage project area range from a low of 27.98 mills to 76.07 mills — three to seven times the amount of federal power.

At the same time, the report says of the \$2.5 billion the storage project cost, \$1.8 billion will be reimbursed to the federal government eventually — which was provided in repayment and subsidy schedules approved by Congress.

Because some people, including former President Reagan, have suggested selling the hydro-power plants to reduce subsidies, the GAO also estimated the value of such plants in the storage project at \$741.8 million.

Please see CUP on B2

Water district agrees to hire policy reviewers

By Marjorie Cortez
Deseret News staff writer

Anticipating the results of a six-month legislative audit, directors of the Central Utah Water Conservancy District have agreed to hire consultants to update its financial, personnel and operating policies.

One of the most significant changes was hiring a new accounting firm to conduct the district's annual audit. The board agreed Thursday night at its monthly meeting to hire KPMG Peat Marwick of Salt Lake City, said LeRoy W. Hooton Jr., chairman of the board's Finance and Administrative Committee. The terms of the contract have not yet been negotiated, he said.

Deloitte, Haskins and Sells has performed the audit for the past six years, but Hooton says most governmental agencies change auditing firms every three years to get a fresh perspective on the agency's

Please see AUDIT on B2

→ over

CUP

Continued from B1

The study also suggests the federal government and public power companies may save money if the CUP builds a commercial power plant at Diamond Fork.

The CUP's current plans call for a small 18-megawatt plant there just to provide power needed for CUP pumping. That would force storage project power rates to increase to 11.08 mills to pay off reimbursable construction costs.

However, if a 78-megawatt plant were built to provide commercial power, the revenues could help keep the storage project power rate as low as 10.66 mills. However, if non-federal sources are used to finance the larger plant, the power rate could be forced as high as 11.34 mills.

That information gives Miller some ammunition to push for concessions from public power users as his committee prepares for legislation to continue construction of portions of the storage project — including the Central Utah Project.

Owens said it also helps his proposal to use power revenues as part of a conservation fund. He claims it wouldn't cost power companies extra money because conservation funds would essentially come from a growing fund for irrigation and oth-

Average wholesale rates

Federal:

Colorado River Storage Project	9.92 mills
Pick-Sloan	7.14 mills
Boulder Canyon	6.81 mills
Parker-Davis	6.55 mills
Central Valley	39.63 mills
Collbran	21.80 mills
Rio Grande	36.92 mills
Bonneville Power Admin.	21.09 mills
Southwestern Power Admin.	28.00 mills

Non-federal:

Arizona Public Service Co.	46.53 mills
Basin Electric Power Coop.	54.91 mills
Colorado Ute Elect. Assoc.	39.13 mills
Pacific Gas and Electric Co.	27.98 mills
Pacific Power and Light Co.	29.34 mills
Plains Elec. Gen. & Trans.	64.43 mills
Public Service Co. of Colo.	41.96 mills
Public Service Co. of N.M.	76.07 mills
Southern Cal. Edison Co.	70.80 mills
Tri-State Gen. & Trans.	44.65 mills
Utah Power & Light	34.22 mills

Source: U.S. General Accounting Office

er projects that likely won't be built.

Yet to be convinced is Joe Falbo, president of the Colorado River Energy Distributors Association. He said Owens' proposal will result in an additional charge to power users without any apparent benefit.

Still, he said his group of public power companies has not yet taken any position on Owens' proposal. He there's a lot left to negotiate.

Also, he doesn't want politicians to forget that while hydropower is cheap now, it wasn't originally.

10-10-90

HEBER LIGHT & POWER
1990 PUBLIC POWER WEEK RESOLUTION

WHEREAS, we the members of Heber Light & Power are proud of our choice to operate a locally-controlled, not-for-profit utility, and

WHEREAS, we the members of Heber Light & Power are both consumers and owners of our public power system and have a direct voice in utility operations and policies, and

WHEREAS, Heber Light & Power provides our homes, businesses, farms and local government agencies with reliable, efficient, and cost effective electricity, employing sound business practices designed to ensure the best possible service at the lowest reasonable rates, and

WHEREAS, Heber Light & Power is a valuable community asset that contributes substantially to the well-being of local citizens through energy efficiency, customer services, environmental protection, economic development, and safety awareness, and

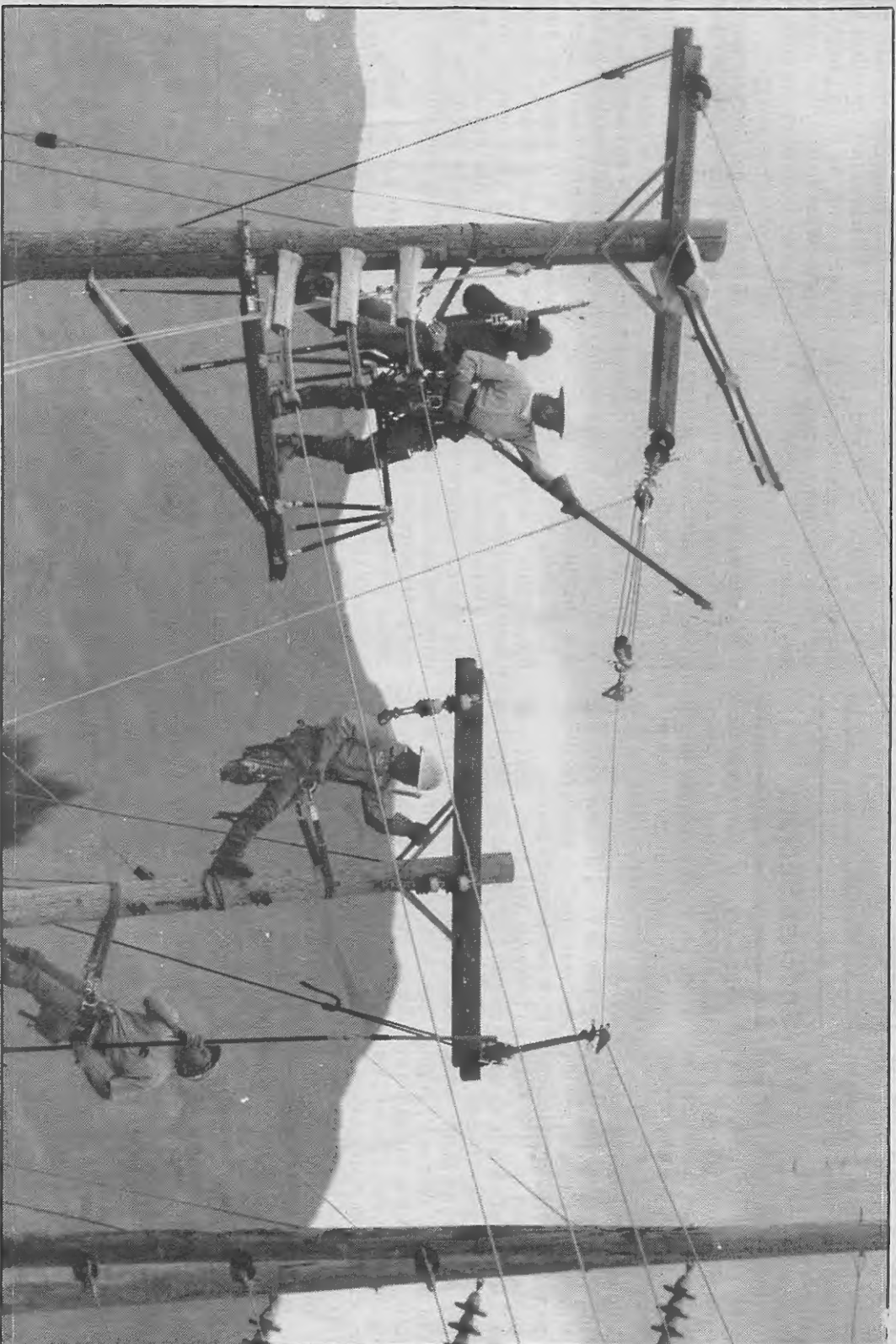
WHEREAS, Heber Light & Power is part of a community of about 2,000 public power systems and 1,000 rural electric cooperatives in the United States that through consumer-ownership ensure cost cutting competition in the electric utility industry to the benefit of electricity consumers everywhere, and

NOW, THEREFORE BE IT RESOLVED: that Heber Light & Power designates the week of Oct. 7-13 as Public Power Week in order to honor public power utilities and their consumer-owners, policy makers, and employees who work together to provide the best possible electric service for the progress of their communities and the nation, and

BE IT FURTHER RESOLVED: that Heber Light & Power joins hands with other members of the public power family in a nationwide celebration of the public benefits of public power.

Mayor Scott W. Wright
Chairman of the Board

10-10-90



Herald Photo/Jennifer Grigg

'Hotline' class

Men scale power poles and practice working with various "hotlines" on a power pole

at Utah Valley State College Thursday. The practice sessions on the 30-foot poles are

part of the Lineman Training Program offered at the college.

9-18-93

tract only came to half the amount. The client refused to consider the deal. No matter how unrealistic his expectations, he wasn't backing down. What looked like a good deal to us just died on the table — and the only reason was ego.

Quite often, an inflated dollar

Mark H. McCormack is the chairman, president and CEO of International Management Group and is the best-selling author of "What They Don't Teach You at Harvard Business School."

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